

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, OCTOBER 18, 2006

4:00 P.M.

**IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL
EAST GREENWICH, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chairman, James V. Rosati, at 4:09 p.m., in the Conference Room, at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: James Rosati; James Forte; Joseph Cianciolo; Kathleen Hittner, M.D; Robert Sangster.

BOARD MEMBERS ABSENT: Joe Larisa; Michael Traficante.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Brian Schattle, Senior Vice President of Finance and Administration/CFO; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Peter Frazier, Chief Legal Counsel; Richard Licht, Outside Legal Counsel; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Forte and seconded by Dr. Hittner to approve the minutes of the Board Meeting of September 20, 2006. The motion was passed unanimously.

2. Open Forum:

Mr. Rosati asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from President and CEO:

Mr. Brewer reported that passenger numbers for September were down 11% and 9.5% year to date. Mr. Brewer reported that the Corporation is continuing to focus on marketing efforts.

Mr. Brewer gave an update on the fuel farm project and reported that the contractor for the project had been issued the Notice to Proceed on October 13, 2006. Mr. Brewer noted that a meeting is scheduled with the airlines, Northstar, and the contractor on November 6, 2006. The project is expected to be completed in January 2007.

Mr. Brewer gave an update on the runway construction project at Block Island Airport indicating that the turf runway is operational and that two daily flights

are occurring as planned. .

Mr. Brewer reported that the New England Region Airport System Plan (NERASP) was unveiled to the Congressional delegation at FAA headquarters on October 2, 2006. The FAA and their consultants will be making presentations in each state.

Mr. Brewer commented on an article in the Providence Journal concerning longer lines due to the revised TSA requirements regarding liquids and gels in carry on luggage. Mr. Brewer reported that this is a major issue nationally and is not limited to Providence. Mr. Brewer reported that the new checkpoint lanes should be open by Thanksgiving which will help facilitate the flow of passengers through the screening area.

Mr. Brewer reported that RIAC and the City of Warwick is holding a Press Conference on Friday, September 22, 2006 at the site of a joint environmental protection project between RIAC and the City.

Mr. Frazier reported that the Corporation had received a favorable ruling from the Attorney General's office in relation to an Open Meetings Law complaint.

4. Operations and Capital Committee Report:

Mr. Forte reported that the Operations and Capital Committee had

met prior to the Board Meeting and noted that one of the items for approval on the consent agenda is the CM contract for the Intermodal project which was part of an open selection process.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the items on the consent agenda. The motion was passed unanimously.

Consent Agenda:

(a) Consideration of and Action Upon Approval to Negotiate a Contract with the Intermodal Construction Management (CM) Candidate Selected by the Intermodal CM Selection Committee.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a CIP Project to construct an Intermodal Facility; and

WHEREAS, the Corporation issued a Request for Qualifications (RFQ) on July 25, 2006; and

WHEREAS, RIAC formed a Technical Selection Committee (Selection Committee) for the purpose of (a) reviewing proposals from candidates interested in being selected as the Construction Manager (CM) for the Warwick Intermodal Project and (b) making a CM selection recommendation to the Corporation's Board of Directors; and

WHEREAS, the Corporation received three timely responses to the solicitation; and

WHEREAS, on October 13, 2006, one company withdrew its name from consideration for selection as the CM for the Intermodal Project; and

WHEREAS, the Selection Committee individually reviewed and scored the technical proposals of the two remaining candidates; and

WHEREAS, on October 17, 2006, the Selection Committee (a) conducted interviews of the two candidates, (b) individually scored the CM candidates on their respective interviews, (c) held a meeting open to all candidates wherein the Selection Committee reviewed their comments on the technical proposals and interviews and (d) submitted their individual score sheets of the two CM candidates; and

WHEREAS, based on the individual scoring by the Selection Committee the Committee voted unanimously that Gilbane be awarded the CM contract, subject to the approval of the Board.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to proceed with formal negotiations with Gilbane Building

Company for the purpose of submitting a construction management contract for the Warwick Intermodal Project. A final contract will be brought to the Operations and Capital Committee for review and submitted to the Board for approval.

(b) Consideration of and Action Upon Approval of a Contract Change Order for the Airside Improvements Project at Block Island Airport AND Consideration of and Action Upon Approval to Enter into a Memorandum of Agreement (MOA) with the Federal Aviation Administration (FAA) Associated with the Airside Improvements Project at Block Island Airport.

WHEREAS, on May 17, 2006, the Board authorized the Rhode Island Airport Corporation (RIAC) to enter into a contract agreement with JH Lynch & Sons, Inc. (JH Lynch) for construction services associated with the Airside Improvements Project (AIP) at Block Island Airport in the amount of \$3,331,011; and

WHEREAS, ongoing operational demands require the construction of a temporary turf runway for use while the current runway is being reconstructed; and

WHEREAS, RIAC has received a scope and fee from JH Lynch to construct the temporary turf runway in an amount not-to-exceed \$70,000 and staff is currently conducting negotiations; and

WHEREAS, this project has been approved in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$4,000,978; and

WHEREAS, this contract Change Order will be funded 95% (\$66,500) through the Federal Aviation Administration (FAA) as an amendment under AIP No. 3-44-0001-11-2006 with RIAC's 5% (\$3,500) matching share funded through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to negotiate and execute a contract Change Order with JH Lynch for the Airside Improvements Project (AIP) at Block Island Airport in an amount not to exceed \$70,000, subject to FAA approval.

WHEREAS, on May 17, 2006, the Board authorized the Rhode Island Airport Corporation (RIAC) to enter into a contract agreement with JH Lynch & Sons, Inc. (JH Lynch) for construction services associated with the Airside Improvements Project (AIP) at Block Island Airport in the amount of \$3,331,011; and

WHEREAS, this project requires that personnel from the Federal Aviation Administration (FAA) assist in the design, engineering and installation of various lighting equipment and facilities; and

WHEREAS, the FAA has submitted a Memorandum of Agreement (MOA) to RIAC in the amount of \$91,360; and

WHEREAS, this MOA will be funded 95% (\$86,792) through the FAA as an amendment under AIP No. 3-44-0001-11-2006 with RIAC's 5% (\$4,568) matching share funded through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby recommends that the President and CEO, or his designee, enter into a Memorandum of Agreement (MOA) with the Federal Aviation Administration (FAA) for the installation of various lighting equipment and facilities as part of the Airside Improvements Project at Block Island Airport in the amount of \$91,360, subject to FAA approval.

(c) Consideration of and Action Upon Award of a Construction Contract Associated with the Construct New Glycol Farm and Fence Project at T. F. Green Airport AND Consideration of and Action Upon Approval of a Consultant Task Order for the Construction Phase Services Associated with the Construct New Glycol Farm and Fence Project at T. F. Green Airport AND Consideration of and Action Upon Approval of a Capital Improvement Program Budget Adjustment for the Construct New Glycol Farm and Fence Project at T. F. Green Airport.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) Procurement Rules and Regulations for the Construct New Glycol Farm and Fence Project at T. F. Green Airport; and

WHEREAS, the firm of Fuss & O'Neill (F&O) serving as RIAC's design consultant for this project determined that the sole bid received from Process Engineers & Constructor, Inc. (PEC) in the amount of \$1,990,000 for this project was responsive; and

WHEREAS, F&O and RIAC Staff have negotiated the scope and fee with PEC and recommend awarding this contract to PEC in an amount not-to-exceed \$1,695,500; and

WHEREAS, the project has been approved in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$1,880,948; and

WHEREAS, a CIP budget increase of \$154,136 has been requested for this project based on current total cost estimates of \$2,035,084; and

WHEREAS, this contract will be funded through the 2000 Airport Revenue Bond Fund and the RIAC General Purpose Fund Account.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a construction contract with PEC for the Construct New Glycol Farm and Fence Project at T. F. Green Airport in the amount of \$1,695,500.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Fuss & O'Neill (F&O) to provide on-call environmental services; and

WHEREAS, RIAC has received a scope and fee from F&O to provide construction phase services associated with the Construct New Glycol Farm and Fence Project at T. F. Green Airport in the amount of \$168,828, and is currently conducting negotiations; and

WHEREAS, the project has been approved in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$1,880,948; and

WHEREAS, a CIP budget increase of \$154,136 has been requested for this project based on current total cost estimates of \$2,035,084; and

WHEREAS, this task order will be funded through the 2000 Airport Revenue Bond Fund and the RIAC General Purpose Fund Account .

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to negotiate and execute a Task Order with F&O to provide construction phase services for the Construct New Glycol Farm and Fence Project at T. F. Green Airport in an amount not-to-exceed \$168,828.

WHEREAS, the approved Rhode Island Airport Corporation (RIAC) Fiscal Year 2007 Capital Improvement Program (CIP) budget includes a total project budget of \$1,880,948 for the Construct New Glycol Farm and Fence Project at T. F. Green Airport; and

WHEREAS, total costs for this project based on bids received and staff negotiations are \$2,035,084; and

WHEREAS, an increase of \$154,136 to the CIP budget is necessary to fund the construction phase services for this project; and

WHEREAS, this increase will be funded through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby approves an increase of \$154,136 to the approved RIAC Fiscal Year 2007 Capital Improvement Program for the

Construct New Glycol Farm and Fence Project at T. F. Green Airport to increase the project budget from \$1,880,948 to \$2,035,084 utilizing monies from the General Purpose Fund.

(d) Consideration of and Action Upon Approval of a Consultant Task Order to Provide Support Services for the Planning, Environmental and Engineering Departments.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has determined the need for additional support for the Planning, Engineering and Environmental departments during the recruitment process for the Senior Vice President Position; and

WHEREAS, RIAC has entered into a Professional Services Agreement (PSA) with CH2M Hill to perform on-call planning services; and

WHEREAS, RIAC has identified John van Woensel, Director of Aviation Planning for CH2M Hill, Inc. (CH2M Hill) to provide these services; and

WHEREAS, John van Woensel is an experienced aviation executive with the extensive knowledge specific to RIAC and under this Task Order John van Woensel, and other CH2M Hill staff, as needed, will support RIAC's Planning, Engineering and Environmental departments during the Sr. VP recruitment process and transition; and

WHEREAS, RIAC and CH2M Hill have mutually agreed not to issue new Task Orders under this PSA for the duration of this arrangement; and

WHEREAS, RIAC staff received a scope and fee from CH2M Hill in the amount of \$88,632 to provide support services for the these departments and is currently conducting negotiations; and

WHEREAS, this Task Order will be funded through the Professional Fees line item as an unbudgeted expense, offset by savings in the Personnel Expenses category.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a consultant Task Order with CH2M Hill to provide support services for the Planning, Engineering and Environmental departments in an amount not-to-exceed \$88,632.

(e) Consideration of and Action Upon Renewal of Contract for Microsoft Software Assurance.

WHEREAS, in July 2002, the Rhode Island Airport Corporation (RIAC) entered into a contract with ASAP Software for Microsoft Products Software Assurance. ASAP Software was selected under the State of

Rhode Island Master Price Agreement (MPA); and

WHEREAS, RIAC wishes to enter into a three-year contract with ASAP Software (ASAP) to renew its Microsoft Software Assurance to the Rhode Island Airport Corporation (RIAC); and

WHEREAS, the approved Fiscal Year 2007 Operating and Maintenance (O&M) Budget includes \$23,000 in the Maintenance Agreement line item for this service; and

WHEREAS, the costs will be expensed over a three-year period at \$30,338.64 each year for a total contract value of \$91,015.92; and

WHEREAS, expenses under this contract in future years will be dependent on funding established through the annual O&M budget approval process.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approves the attached resolution authorizing the President and CEO, or his designee, to execute a three-year contract with ASAP Software for Microsoft Products Software Assurance, in the amount of \$91,015.92.

5. Finance and Audit Committee Report:

(a) Consideration of and Action Upon Ratification of FY 06 Audited Financial Statements.

There was no meeting in October, however, it was noted that the FY 06 Financial Statements were finalized with no material weaknesses noted. A motion was made by Mr. Cianciolo and seconded by Mr. Sangster ratifying the FY 06 Audited Financial Statements in substantially the form submitted to the Board. The motion was passed unanimously.

6. Compensation Committee Report:

(a) Consideration of and Action Upon Approval of Amendment to the Membership of the Compensation Committee.

Mr. Sangster reported that the recommendation is that the membership of the Compensation Committee be amended to include the Board Chairman.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Compensation Committee was established in January 2006 pursuant to Article III of the Rhode Island Airport Corporation (RIAC) By-Laws; and

WHEREAS, the Committee provides oversight and direction pertaining to critical initiatives related to RIAC personnel and administration including, without limitation, compensation and evaluation methodologies and the Corporation's collective bargaining negotiations; and

WHEREAS, the Board wishes to amend the membership of the Compensation Committee; and

WHEREAS, effective immediately, the membership of this Committee shall be comprised of:

- The Chair of the Compensation Committee (appointed by the RIAC Board Chair)**
- Chair, RIAC Board of Directors**
- Chair, Operations and Capital Committee**
- Chair, Finance and Audit Committee**
- One Alternate: Appointed by the RIAC Board Chair**

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approves the amendment to the membership of the Compensation Committee, in accordance with Article III of the RIAC By-Laws.

The motion was passed unanimously.

7. Executive Session:

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to amend the agenda for executive session to include a discussion related to investment of public funds regarding the Intermodal project. The motion was passed unanimously.

(a) Discussion Related to Collective Bargaining – R.I.G.L. § 42-46-5(a)(2).

(b) Discussion Related to Potential (AeroServ and Easements) and Pending (Parking, RIPDES and Coleman) Litigation - R.I.G.L. § 42-46-5(a)(2).

(c) Discussion Related to Personnel - R. I.G.L. § 42-46-5(a)(1).

(d) Discussion Related to Investment of Public Funds (Intermodal Project) – R. I. G. L. § 42-46-5(a)(7).

At approximately 4:26 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to go into Executive Session. It was noted that with respect to agenda item 7(c), discussion related to personnel, all affected personnel have received advanced written notice advising them that they may request the meeting to be held in open session. No requests have been received. By the following vote the motion

was passed unanimously.

YEAS: James Rosati

James Forte

Joseph Cianciolo

Kathleen Hittner, M.D.

Robert Sangster

NAYS: None

ABSTAIN: None

At approximately 5:30 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Forte and seconded by Dr. Hittner to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-7(c). The motion was passed unanimously.

8. Future Meetings:

The next meeting will be held on Wednesday, November 15, 2006, at 4:00 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island.

Respectfully submitted,

**James V. Rosati, Chairman
Rhode Island Airport Corporation**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING
OCTOBER 18, 2006**

NAME	AFFILIATION
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Patti Goldstein	RIAC
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Doug Dansereau	RIAC
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Ahmed Shihadeh	RIAC
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John Van Woensel	CH2M Hill
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Steve Whitney	Senate Fiscal Office
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Don Pillsbury RIPA

Steve Tibbetts Landmark Aviation

Lou Delsesto Gilbane

Mike Kennedy Gilbane

The minutes of the Executive Session of the Board Meeting of October 18, 2006 have been sealed in accordance with R.I.G.L. § 42-46-7(c).